

Message Text

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PAGE 01 STATE 150728
ORIGIN AF-10

INFO OCT-01 ISO-00 EB-08 COME-00 CIAE-00 INR-10
NSAE-00 GSA-02 TRSE-00 AID-05 OMB-01 /037 R

DRAFTED BY AF/E:PGSMITH:JJ
APPROVED BY AF/E:SHAMRICK
EB/ISM:MDEWITT

-----053768 141555Z /72

R 141507Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY LUSAKA

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E.O. 11652: N/A

TAGS: EMIN, ZA, US

SUBJECT: COBALT

REF: LUSAKA 2089

1. DESKOFF MET JUNE 13 WITH J.D. HALL, PRESIDENT OF
HALL CHEMICAL CO., WICKLIFFE, OHIO. CONVERSATION REPORTED
FOR WHATEVER LIGHT IT MAY THROW ON ZAMBIAN PLANS/POTENTIAL
ON WORLD COBALT MARKET.

2. HALL SAID HIS FIRM IS ONE OF PURCHASERS MENTIONED
IN REFTEL WHO HAVE TRADITIONALLY (AT LEAST LAST 5 YEARS)
BOUGHT ZAMBIAN COBALT UNDER LONG-TERM CONTRACT. HALL'S
MARKET SHARE HAS VARIED BETWEEN 40 AND 50 PERCENT OF
ZAMBIAN OUTPUT, AND IS CURRENTLY RUNNING ABOUT 2 MILLION
POUNDS/YEAR.

3. HALL VISITED ZAMBIA IN APRIL AND HAD BRIEF MEETING
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PAGE 02 STATE 150728

WITH EMBOFF (HE COULD NOT RECALL NAME), AND LATER MET
WITH MINES MINISTER CHINKULI DURING KAUNDA VISIT TO
US. HE SAID HE HAS PROPOSED TO ZAMBIANS THAT IN ADDITION
TO CURRENT PURCHASES OF COBALT, HIS FIRM ALSO PURCHASE
COBALT INTERMEDIATES FOR FINAL PROCESSING IN US. AS HE
EXPLAINS SITUATION HIS IS VIRTUALLY ONLY US MAJOR COBALT

CONSUMER NOT DEPENDENT ON ZAIRE SOURCE OF SUPPLY, AND IF ZAMBIANS ARE WILLING TO AGREE TO PROPOSAL IT COULD HAVE MAJOR PROFIT POTENTIAL FOR HIS FIRM AND SIGNIFICANT SHORT-RUN ADVANTAGE FOR THE GRZ, PARTICULARLY SINCE HE PROPOSES TO AIRSHIP CONCENTRATES, THEREBY AVOIDING TAZARA TIE-UP.

4. HALL WOULD NOT BE SPECIFIC AS TO AMOUNT OR VALUE OF CONCENTRATES HE MIGHT PURCHASE UNDER THIS ARRANGEMENT, BUT HE ESTIMATED THAT ZAMBIAN COBALT PRODUCTION COULD REACH 7,000 TONS WITH ONLY MINOR ADJUSTMENT OF MINING METHODS TO INCREASE COBALT OUTPUT. HE ALSO SAID THAT SMELTER SLAG CURRENTLY PRODUCED IN ZAMBIA CONTAINS 1-1.5 PERCENT COBALT, WELL WORTH EXPLOITING.

5. WOULD APPRECIATE ANY EMBASSY COMMENTS OR ADDITIONAL INFORMATION ON THIS PROPOSAL. INFORMATION IN THIS MESSAGE SHOULD, HOWEVER, BE TREATED AS PROPRIETARY AND OUR KNOWLEDGE OF IT NOT RPT NOT DISCLOSED TO TRADE CONTRACTS OR GRZ OFFICIALS.

CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COBALT
Control Number: n/a
Copy: SINGLE
Draft Date: 14 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE150728
Document Source: CORE
Document Unique ID: 00
Drafter: PGSMITH:JJ
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780248-0791
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780659/aaaabzeg.tel
Line Count: 84
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 65553289-c288-dd11-92da-001cc4696bcc
Office: ORIGIN AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 LUSAKA 2089
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2351117
Secure: OPEN
Status: NATIVE
Subject: COBALT
TAGS: EMIN, ZA, US
To: LUSAKA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/65553289-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014